

Service Date: May 1, 2002

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER OF The Application of	)	UTILITY DIVISION
Cut Bank Gas Company for Authority to First	)	DOCKET NO. D2001.12.176
Increase And Then Decrease Charges for Natural	)	ORDER NO. 6395a
Gas Service	)	

SECOND INTERIM ORDER  
FINDINGS OF FACT

1. Cut Bank Gas Company (Applicant) applied to this Commission to increase rates from March 18, 2002 through March 31, 2002 then to decrease rates for services rendered on and after April 1, 2002. This application requests a temporary increase to recover losses in revenue which resulted from an incorrect number supplied to Cut Bank Gas from Montana Power Company (MPC). On April 1, 2002 Cut Bank Gas requests a rate reduction in order to reflect all cost decreases granted to MPC in Docket No. 2001.12.156 and Docket No. 96.2.22.

2. On December 21, 2001, the Commission Orders No. 6394 and 5898i granted MPC an interim natural gas decrease.

3. On April 3, 2002, the Commission issued an Amended Interim Order No. 6394c reducing natural gas rates for MPC due to an error in MPC's calculations. The reduction was for services rendered on and after April 1, 2002.

4. Cut Bank Gas requests a temporary increase of \$0.08 per mcf to be in effect from March 18, 2002 through March 31, 2002. Cut Bank Gas is requesting a decrease in rates from \$4.8939229 per mcf to \$4.0219055 per mcf or a reduction of \$0.8720174 per mcf for services rendered on and after April 1, 2002.

### CONCLUSION OF LAW

1. Applicant is a public utility within the meaning of Section § 69-3-101, MCA.
2. The Montana Public Service Commission properly exercises jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, MCA.
3. Section § 69-3-304, MCA, provides in part, "The Commission may, in its discretion, temporarily approve increases or decreases pending a hearing or final decision."
4. The rate levels and spread approved herein are reasonable. The rebate provisions of Section § 69-3-304, MCA, protect ratepayers in the event that any revenue authorized by this order are found to be unjustified in the final order in the Docket.

### ORDER

1. Applicant is hereby granted interim relief reflecting Findings of Fact in this order.
  2. The approval shall be administered in two phases, 1) a temporary increase to be in effect from March 18, 2002 through March 31, 2002 and 2) and decrease to become effective for service rendered on and after April 1, 2002.
  3. The rates shall be collected upon a constant uniform cents per MCF basis.
  4. Interim revenues granted herein are subject to rebate based on return on equity of 8.75 percent should a final order in this Docket disapprove this interim revenue.
- DONE IN WORK SESSION at Helena, Montana, this 30<sup>th</sup> day of April, 2002, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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GARY FELAND, Chairman

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JAY STOVALL, Vice Chairman

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BOB ANDERSON, Commissioner

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MATT BRAINARD, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Rhonda J. Simmons  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.